

file

THE PRESIDENT'S INTELLIGENCE CHECKLIST

1 JUNE 1962
~~TOP SECRET~~

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1. Laos

b. Phoumi [redacted] is still 50X1
dragging his feet publicly on the re-
sumption of negotiations and repeating
his demand that Souvanna must "prove"
his ability to control the Communists.
The Pathet Lao have also darkened the
picture by declaring that negotiations
cannot begin until SEATO forces are
withdrawn from Thailand.

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2. South Vietnam

a. Our Saigon Embassy reports that the Viet Cong raided an American missionary establishment located 150 miles northeast of Saigon and kidnapped three missionaries. We are awaiting further details. 50X1

b. Meanwhile, the ICC is scheduled to meet today, and its report--charging North Vietnam with abetting subversion in the south and citing the US and South Vietnam with violations of the Geneva accords--is expected to be released by tomorrow at the latest. 50X1

3. West New Guinea

a. [redacted] the Indonesians are laying the groundwork for larger-scale military operations in West New Guinea. [redacted] 50X1

(cont'd)

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c. We are inclined to feel that mounting public apprehension over the course of events in West New Guinea was a factor behind the gains registered by the opposition Labor Party in Wednesday's municipal elections in the Netherlands.

4. Communist China

a. Chou En-lai's [redacted] 50X1
speech to the Chinese Communist People's Congress last month [redacted] 50X1
[redacted] includes 50X1
a slashing personal attack on Khrushchev 50X1
Chou [redacted] charged that Khrushchev 50X1
is moving gradually toward capitalism, and he characterized him as narrow minded and bent only upon building himself up as a hero. Nonetheless, said Chou, the Chinese and Russians must stick together.

b. At the same time, Chou painted an optimistic picture of the international situation. He was notably confident that the Communists would win out in Laos. In any event, he said the Chinese have "nothing to fear from American intervention" because they have large numbers of troops on the border to send to the aid of Laos.

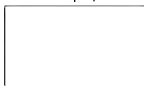
c. More somber on domestic affairs, Chou said that China's economic problems were partly attributable to the failure of lower echelon officials to carry out government policies correctly, and intimated that this situation would be corrected by administrative action.

(cont'd)

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The other major problem--allocation of too much manpower to heavy industry at the expense of agriculture--was to be taken care of this year by moving 30 percent of the labor force now employed in factories out of the cities and resettled on the farms.

5. Soviet missile shot



An ICBM

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NOTES

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- A. At their Wednesday meeting, Adoula and Tshombé moved forward to discuss the formation of a joint monetary commission. Although they did not reach a decision, the atmosphere apparently remains good, and the talks are to be resumed today. [REDACTED] 50X1
- B. In Bolivia, the approach of Sunday's congressional elections is marked by rising tension, stimulated by rumors of impending coups and counter coups. Our present guess, however, is that President Paz, an old hand at political intrigue, has taken the necessary steps to ensure that his party will come out on top with a comfortable margin. [REDACTED] 50X1
- C. [REDACTED] 50X6
- D. [REDACTED] the EEC will "almost certainly" approve retaliatory action against our glass and carpets tariffs at its ministerial meeting next week. Which US commodities are to be the targets remains to be determined. [REDACTED] 50X1

WATCH COMMITTEE CONCLUSIONS--31 MAY 1962

On the basis of findings by its Watch Committee, the United States Intelligence Board concludes that:

No Sino-Soviet Bloc country intends to initiate direct military action in the immediate future.

Laos: The enemy retains the military initiative and enemy forces will continue their probes against RLG positions but will probably refrain from general hostilities pending a resumption of talks.

Indonesia: Indonesian military infiltration into West New Guinea is likely to continue for the immediate future. An increase in Soviet military presence can be expected to parallel Indonesian preparations for larger scale military operations.

DOCUMENTS OF INTEREST

I.

II.

III.

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THE DIRECTOR OF CENTRAL INTELLIGENCE